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TAGS: [PREL](#) [MARR](#) [MOPS](#) [PGOV](#) [OVIP](#) [PO](#)  
SUBJECT: PORTUGAL-US BILATERAL COMMISSION; PROGRESS ON ISAF  
AND LAJES AIR BASE

Classified By: DEPUTY POL/ECON COUNSELOR TROY FITRELL FOR REASONS 1.4 (b, d)

¶1. (C) Summary. The U.S.-Portugal Bilateral Commission met in Lisbon on May 4 as part of its regular semi-annual meeting schedule and reviewed the state of the bilateral relationship. Portuguese MFA PolDir Brito said the GOP continues to study options to make good on the Prime Minister's promise to double troop commitments to Afghanistan, and that the Foreign Minister should have the defined position in time for his meeting with Secretary Clinton June 4. The political decision on this issue must be approved by the Defense Council, chaired by President Cavaco Silva. Brito also said Portugal would support the U.S. in the Human Rights Commission election and solicited U.S. support for Portugal's Security Council candidacy. Labor issues at Lajes Air Base in the Azores dominated the Bilateral Commission's discussions and the delegations agreed to a preliminary text of an agreement to resolve the wage dispute. End summary.

#### BILATERAL COMMISSION MEETS

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¶2. (U) The U.S.-Portugal Bilateral Commission met in Lisbon, Portugal May 4 to review the bilateral relationship and plan cooperative ventures for the coming year. The U.S. side was led by Ambassador Thomas Stephenson, who was joined by Defense A/DUSD Marilee Fitzgerald. The Portuguese delegation was led by MFA Political Director Ambassador Nuno Brito, joined by Ministry of Defense Political Director Paulo Vizeu Pinheiro and Major General Rui Mora de Oliveira, Air Force Zone Commander for the Azores. Following a Bilateral Commission tradition, additional officials joined the proceedings for separate meetings with relevant officials. EUR/WE Office Director Pamela Spratlen met with the MFA's European Correspondent and the Office Director for Europe and Central Asia, and Embassy Maputo's Sarah Horton met with the MFA's Office Director for Africa and the Ministry of Interior's International Cooperation staff.

¶3. (U) Delegations discussed the general state of the bilateral relationship and exchanged views on international affairs, including Russia, the Middle East, and the next NATO Summit. The delegations then reviewed specific bilateral topics, including military cooperation, science and technology cooperation, Azorean cooperation, and issues regarding the Technical and Labor Committees related to the U.S. Air Force facilities and operations at Portugal's Lajes Air Field in the Azores. The joint statement issued at the end of the meetings is attached at the end of this cable.

¶4. (U) In referring to the strength of the bilateral relationship, Brito noted the Government of Portugal (GOP) was ready to finalize agreements on our proposals regarding HSPD-6 and Combating Crime. Brito also said Portugal would vote for the U.S. at the Human Rights Council election (Note:

Portugal did so on May 12) and solicited our support for Portugal's candidacy for the UN Security Council. Brito agreed with Ambassador Stephenson's suggestion that we include the Ministries of Justice and Internal Affairs at future Bilateral Commission meetings, given the strength of the cooperative programs with those ministries.

¶5. (C) Both sides were pleased that a Foreign Minister Amado - Secretary Clinton meeting had been scheduled for June 4. Brito noted Amado would also meet with Members of Congress while in Washington and that Minister of the Economy Manuel Pinho was interested in visiting Washington as well.

#### NATO SUMMIT

¶6. (U) Both delegation leaders noted that Portugal is expected to host the next NATO Summit, in 2010 or 2011. Brito said he expected NATO's new Strategic Concept would be ready for approval by that time and would be the signature issue of the summit. In discussing reforms at NATO Headquarters, Brito noted that consensus must be retained as the basis of decision-making authority, but that the Secretary General needed to be able to run the bureaucracy efficiently. Brito stressed the GOP's pleasure with Dane Anders Fogh Rasmussen as the new Secretary General.

¶7. (C) Brito noted the GOP would use only one summit site, unlike Strasbourg/Kehl. On the margins, Brito's deputy, Rui Maciera, told us the Portuguese were evaluating sites, but the early front-runner was Madeira, an autonomous island in the Atlantic Ocean, which hosted the NATO Parliamentary Assembly in 2007. Maciera said only a few locations had the necessary tourist infrastructure and that they did not wish

to paralyze Lisbon or the Algarve with security precautions.

¶8. (U) When asked by Ambassador Stephenson about Portugal's commitment to increased troop strength in Afghanistan, Brito said the GOP was studying options and would make a significant increase and would fill an ISAF strategic need. Brito added that he expected Foreign Minister Amado to have that defined position before his June 4 Washington meeting with Secretary Clinton. Ministry of Defense (MOD) Political Director Paulo Vizeu Pinheiro said the decision will be made by Portugal's Defense Council, chaired by President Cavaco Silva. This body meets when needed, and Cavaco Silva is expected to call for a meeting soon.

#### MIDDLE EAST

¶9. (U) Brito noted the GOP's desire to build on the Annapolis Conference. Noting that Germany and Portugal had advocated upgrading EU relations with Israel during their respective EU presidencies, Brito said the GOP now seeks additional pressure on the new Israeli government. On a related note, Brito said he appreciated U.S. policy on Iran, noting that it is Iran's turn to take genuine steps forward. He continued, however, that progress with Iran cannot be a precondition for movement on Palestinian territories, which Brito said the new government of Israel has suggested. Iran and Israel/Palestinians are related, he said, but not linked. Brito warned that while the EU still regards Hamas as a terrorist organization, "EU voices" are calling for all involved parties to be at the negotiating table.

#### RUSSIA

¶10. (U) Brito appreciated our comments on a "restart" with Russia and said Georgia would dominate NATO-Russia relations for the near future, but that NATO's exercises in Georgia were necessary. Brito noted with satisfaction that the NATO-Russia Council had resumed meeting, saying that he thought it should have been activated immediately upon the invasion of Georgia. Brito said the GOP fully understands the need to diversify its energy sources and that the gas crisis in early 2009 tarnished Russia's image as a reliable supplier, a point he believed even Vladimir Putin understood.

## LABOR ISSUES AT LAJES AIR BASE

11. (U) Brito noted that the issue of how to calculate annual pay raises for Portuguese employees of the USAF at Lajes Air Base had become an irritant for the bilateral relationship. Discussions on resolving this issue in recent years had centered around removing a contentious wage survey and replacing it with the higher of the DOD civilian pay increase and the GOP civil service pay increase. Brito suggested that he and Ambassador Stephenson take key delegation members aside to pursue negotiations, which resulted in a tentative agreement on the Work Regulations that have now been shared with Washington offices, including DOD's Office of General Counsel. This preliminary agreement is contingent upon approval of the Washington interagency process.

## MILITARY COOPERATION

12. (U) The MOD's Vizeu Pinheiro provided updates on ongoing cooperative efforts. He said the Portuguese review of a U.S. proposal for an airspace training initiative north of Lajes Air Base had concluded that the proposal was viable and that experts had defined an appropriate area for the purpose. He said Portuguese Air Force (PAF) officials would meet with U.S. counterparts in late May or June to complete the study. Regarding the resurfacing of the runway at Lajes Air Base, Vizeu Pinheiro said the Portuguese Air Force technical staff had accepted the U.S. cost sharing and technical proposals and had transmitted them to the MOD for political approval.

13. (U) In regard to direct cooperation, Vizeu Pinheiro said the Portuguese Navy (PN) hoped to develop mine sweeping and explosive ordnance disposal skills in conjunction with U.S. counterparts. The PN is also interested in amphibious exercises and would like briefings on the cost and use of underwater unmanned vehicles. The PAF used only 10 of the 15 available pilot training slots in the U.S. due to an unexpected increase in costs. Both delegations noted that Portugal will host DOD's African Center for Strategic Studies (ACSS) seminar in 2010, the first time ACSS has ever held its seminars in Europe.

## AZOREAN COOPERATION; SCIENCE AND TECHNOLOGY

14. (U) Col. Poore, Commander of the U.S. 65th Air Base Wing at Lajes, presented the annual Economic Impact Analysis that demonstrated a total impact on the Azorean economy of \$93 million in FY2008 from the U.S. presence there. The two delegations submitted status reports on other infrastructure, public diplomacy, and economic development projects and on the workings of the Labor and Science and Technology Committees.

## COMMENT

15. (C) As usual for these semi-annual meetings, this iteration of the Bilateral Commission was a success, but within limitations as the Portuguese have been reluctant to change the static nature of the Bilateral Commission. New leadership on the Portuguese side in the persons of Brito and Vizeu Pinheiro indicate a willingness to orient the meetings toward action and set the bar a bit higher. A problem has been the Portuguese desire to use this forum to present proposals rather than solve problems. Vizeu Pinheiro's participation is an upgrade from the Portuguese MOD. Previously, MOD representatives had to return to the MOD to get his approval for any ideas that were presented. Brito and Vizeu Pinheiro each have long experience with the U.S. and are among our most useful interlocutors.

16. (C) After years of effort on the arcane wage survey issue, we have apparently reached agreement. While the commission's accomplishment is a preliminary step, it is an important one. Brito noted that the GOP is eager to have this agreement be a deliverable for the FM Amado - Secretary Clinton meeting on June 4. For that to be the case, we have some work to do.

Joint Statement

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117. (U) Begin text:

In the 25th gathering of the Bilateral Commission in Lisbon, Portugal on May 4, 2009, Portugal and the United States reaffirmed the enduring political and military alliance. The two delegations reviewed recent developments in the Middle East and Russia and previewed issues related to the next NATO Summit, which will be held in Portugal.

Portugal and the United States also reviewed the positive progress made since the last Bilateral Commission meeting in military cooperation, the science and technology sector, cooperation programs with the Azores, and mission requirements at Lajes Air Base.

Delegations addressed the issue of the refurbishment of the degraded runway at Lajes Air Base, with a view to ensure the future of this active facility for civilian and military use.

Delegations also noted that the review of an Airspace Training initiative is well underway.

The two delegations noted the progress of ongoing bilateral negotiations aimed at solving the long-standing issue of annual wage increases for the Portuguese employees of the U.S. military contingent at Lajes.

End text.

For more reporting from Embassy Lisbon and information about Portugal, please see our Intelink site:

<http://www.intelink.sgov.gov/wiki/portal:portugal>

STEPHENSON